

Senate inquiry into the worsening rental crisis in Australia.

Submission by Uniting Vic.Tas

Uniting

Who we are.

This Submission was written on the lands of the Wurundjeri people of the Kulin Nation. We work in solidarity with Aboriginal and Torres Strait Islander people as Australia's First Peoples and as the traditional owners and custodians of the lands and waters on which we all live and work. We recognise the continuing sovereignty of Aboriginal and Torres Strait Islander peoples over their lands and waters and their inalienable right to self-determination. We offer our respect to all Elders past and present.

In developing this submission, we spoke with a number of consumers and Uniting practitioners. We are particularly grateful to our consumers who shared their time and lived experience and we thank them for their contributions.

We have paid particular attention to those terms of reference to which our service experience aligns. We have also highlighted the broader issues of affordable housing, homelessness, and the rising cost of living as key issues impacting our consumers.

Our experience.

Uniting Vic.Tas (Uniting) is the principal community services organisation of the Uniting Church in Victoria and Tasmania. We are more than 3,500 employees and 2,200 volunteers delivering over 650 programs and services across the full spectrum of community services, intervening early to help people avoid crisis, as well as supporting those who live life at the margins. Uniting also undertakes research into community needs and advocates for discourse and actions that aim to lessen disadvantage, poverty, and exclusion in the community. We celebrate diversity and value the lived experience of people of every faith, ethnicity, age, disability, culture, language, gender identity, sex, and sexual orientation.

We work alongside individuals and families that often present with complex health and social needs. Some have few immediate or extended family supports, limited material resources, are socially isolated and have intergenerational histories of childhood abuse and neglect, family violence, substance use and mental health concerns. Frequently, for many of our consumers, these complex needs are exacerbated by their inability to access to safe, secure, and affordable housing

Across all our Victorian and Tasmanian services, we see people at many stages of housing stress and insecurity. Together, Uniting Housing Victoria (UHV), Uniting Vic.Tas (Uniting) currently manage a portfolio of over 650 tenancies across Victoria and Tasmania, and are committed to working with people experiencing, or at risk of, homelessness to access a range of crisis, transitional and longer-term accommodation.

We also provide food and emergency relief, tenancy assistance, mental health support, financial counselling and support, and case management support to those that need it most. But the demand is rising. Last financial year we supported 5,900 people experiencing homelessness and provided 80,000 community meals to those in need. People who come to us for support continue to tell us that a lack of affordable housing directly affects their ability to better their circumstances and look forward to a positive future.

Acknowledgement of lived and living experience

We would like to thank the Uniting consumers who took time to speak with us in the formulation of this and other submissions across 2023 and through several research projects cited through this submission. We thank our consumers for sharing their experiences with honesty and integrity, many of whom acknowledged a desire to have their voices heard on the very significant issue of cost of living pressures, financial hardship and housing disadvantage. Names marked with an * have been changed to respect the privacy and protect the identity of the individual.

Terms of reference addressed and summary of recommendations.

Our submission will specifically address the following Terms of Reference (highlighted in bold):

- a. the experience of renters and people seeking rental housing**
- b. rising rents and rental affordability;**
- c. actions that can be taken by governments to reduce rents or limit rent rises;**
- d. improvements to renters' rights, including rent stabilisation, length of leases and no grounds evictions;**
- e. factors impacting supply and demand of affordable rentals;
- f. international experience of policies that effectively support renters;
- g. the impact of government programs on the rental sector; and
- h. any other related matters.

Rising rents, rental affordability and the experience of renters and people seeking rental housing.

Everyone has the right to safe, secure and affordable housing. Families should not have to choose between paying the rent and putting food on the table. In 2022, Uniting Vic.Tas undertook research across Victoria and Tasmania examining the impact of the rising cost of living on our consumers. We found that rising cost of living is deepening financial, housing and food insecurity, and impacting mental and physical health, while also increasing social isolation.

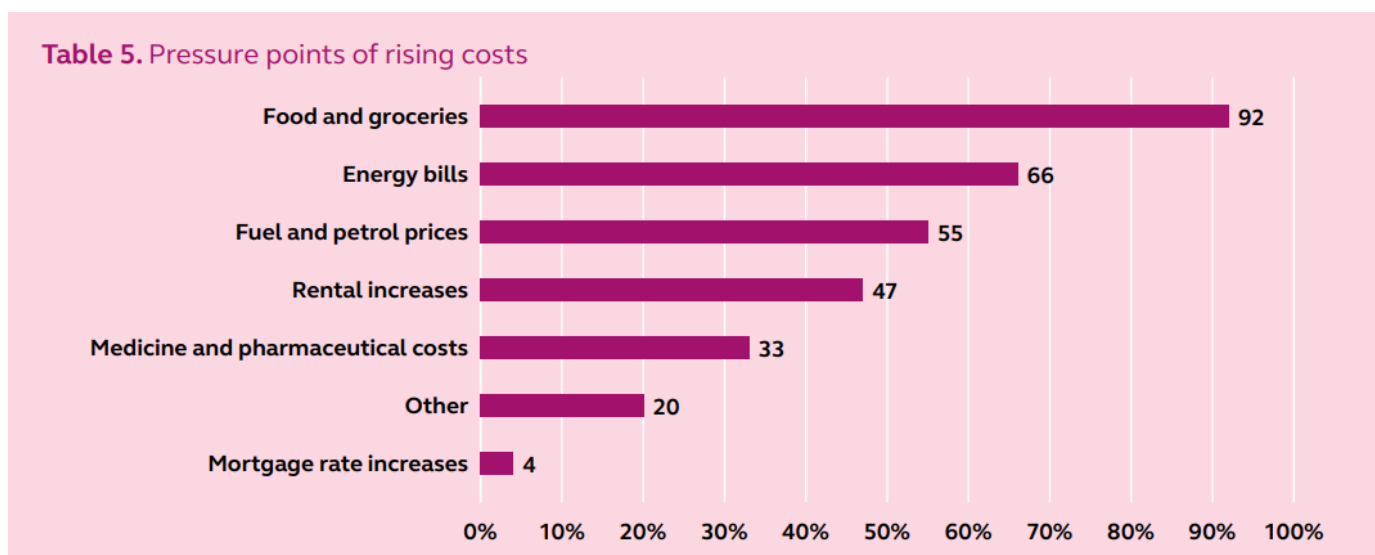
"There are some days that I can't go out in the car due to the cost. We can't afford to have the heater on at night. We use blankets and our house has damp. We can't afford to use the electricity at night. We... use torches instead of turning the lights on. The kids can't have baths any more." – Uniting consumer

The data from over 100 consumer surveys showed that:

- 90 per cent of respondents were cutting back on food and groceries due to costs,
- One in two respondents experienced mental health impacts resulting from cost of living increases,
- Parents, carers and people with a disability were skipping meals even if cooking for others,
- More than 1 in 10 reported an increased risk of family violence due to the strain of making ends meet (Wilson, Churchus and Johnson 2022).

Cost increases related to housing were significant pressure points for more than 50 per cent of those surveyed (47 per cent rental increases and 4 per cent mortgage rate increases). Forty-two per cent of Victorian respondents identified rental increases as a pressure point. Tasmanians were 25 per cent more likely to report impacts on their housing situation as a consequence of the rising cost of living.

The following table is an extract from [*Can't Afford to live: the impact of the rising cost of living on Victorians and Tasmanians on low incomes*](#), highlighting various financial pressure points, including rental increases.



Rental increases coupled with low vacancy rates are placing more people into significant rental stress and housing precarity. Victoria has a 2.2 per cent rental vacancy rate across the state.

The crisis is particularly pronounced for those on income support with only 0.9 per cent of private rental properties in Greater Melbourne affordable for those receiving income support. **This disparity highlights a deepening inequality in housing access and security, requiring significant and urgent intervention to ensure housing equity for all members of our community.** As Rachel*, a Uniting consumer living in regional Victoria told us:

"You've got people going for viewings that are offering more [rent than is being asked] or six months in advance and it just phases people out. If you have fifty people applying and ten of them have full time jobs; there's couples and then there's you who's on a benefit [Centrelink payment]. We won't even get looked at. They say they don't discriminate, but they do. They would, when you're spoilt for choice. You can just choose who you want."

Unfortunately, Rachel's experience is not unique. In Tasmania, people on the lowest incomes, such as those on Youth Allowance and Job Seeker, will find 0 properties in their price range (Anglicare 2023). In a market where rental availability rates have reached an all-time low, landlords and real estate agents hold a disproportionate amount of power and can choose to discriminate against certain groups, including single parents, large families and those receiving income support. Uniting has heard first-hand the difficult and unequitable experiences many of our consumers have faced while attempting to secure a home through the private rental market. The lived experience of Uniting consumers across different age cohorts and family compositions demonstrates the many populations for whom the private rental market is increasingly out of reach:

"There's nothing around. I saw a one-bedroom place for \$250 last week but that was just one and imagine how many people will be going for that one house." – Ron* experiencing homelessness in regional Victoria.

A young parent articulates the challenge of finding private rentals when your main source of income is Centrelink:

"What impacts my life the most is finding private rental. Yeah, it's ridiculous that nowhere really has anywhere that just accepts Centrelink income. It's pretty hard, like, I'm pregnant at the moment, so I'm gonna have two kids. And I've got myself and yeah, I need a bigger house, but nowhere accepts you when you have Centrelink as your payment. It's really hard to find somewhere. I've probably looked at about 20 places." – Manny*, young person living in community housing.

Qualitative data from consumer interviews undertaken by Uniting across April and May 2023, illustrates the tremendous stress and pressure experienced by single parents within the private rental market, and the discrimination they experience as an applicant for rental properties:

"When I'm facing rental applications and things like that, there is certainly an underlying something you know thread of like, you know, you are judged there being a single mum and having two kids. There's definitely that."

"There's not enough cheap housing for rent. If you rent through a real estate, you're paying \$700.00 a week around here. You have to have two people, so it really does discriminate against single people, particularly single mothers. I was applying for houses and I couldn't get a single one because there's too many people applying for one property." – Pip*, single parent living in regional Victoria.

Women are more likely to also have caring roles and responsibilities for raising children and young people, which further impedes their ability to achieve financial stability and secure housing:

"We want to go get a job, but then we have to pay for daycare, that's something like \$100 a day. You can't. You've also got to worry about getting a job between 9 and 2 because then you've got to pick the kids up from school..."

When you've got kids it's not exactly easy to go and get a job. So therefore, we can't afford to go to the doctors, and we can't afford to do things like pay all our bills or afford this horrible housing situation." Ellie,* single parent.

Uniting is seeing the impact of the rental crisis across all ages and population cohorts. Paul* is a man in his 50s who has lived and worked in the Wimmera community in North West Victoria for 23 years. He is one of 62 people who have been supported by a Uniting pilot program operating in the Wimmera to support people rough sleeping across the region. His story was recently published in the July edition of *Parity Magazine*. Below is an extract:

After successive business closures in the region, work in the industry Paul has been employed in for most of his life has mostly dried up, and Paul has found his ability to gain steady employment has decreased rapidly in the past few years.

"I've tried to get another job, but most people don't want to hire me at my age, I'm too old... Everyone says, 'go out and get a job' but where from? Everything is closing down.

Paul has now been sleeping rough for three years while trying to obtain housing on his own through the private rental market. Paul mostly sticks to himself, staying out of sight and sleeping in disabled toilets to feel safe and secure during the night.

"That's ridiculous that no one on Centrelink can afford to rent. Imagine if you had kids with you as well. They're going to look after the couples before they start thinking about single parents and then people like me, I'm just the end of the line." – Paul*, single man experiencing homelessness in regional Victoria.

These stories illustrate the depth and span of the housing crises across Victoria and Tasmania. Uniting believes that affordable, safe, and secure housing is an essential human right that underpins a person's capacity to live a dignified, healthy, and meaningful life. Without significant policy action, Australia is at risk of deepening intergenerational disadvantage where housing tenure increasingly determines economic security.

Uniting is deeply concerned that many of our consumers do not have safe and affordable housing and are at risk of, or currently experiencing, homelessness. We are also concerned that those already experiencing significant social and economic disadvantage are being left out of the public discourse around rental increases and the rental and housing affordability crisis.

Actions that can be taken by governments

A lack of social and affordable housing means there is nowhere to go when people are forced out of the private rental market. People on low incomes have extremely limited, if any, ability to absorb rental increases. Consequently, we are seeing increasing numbers of people seeking support at our emergency relief, tenancy support programs and homelessness services as they are pushed into more precarious and insecure living arrangements.

Uniting has previously called on the Victorian Government to increase funding to tenants under the Private Rent Assistance Program. PRAP addresses the need for financial assistance to maintain a tenancy and support people at risk of homelessness to avoid eviction. It also assists people newly experiencing homelessness to find an accommodation option as quickly as possible. This measure, to which Uniting remains committed, is necessary to keep more people on low incomes in their homes during periods when they find themselves on the edge of homelessness.

"The way I see PRAP is it's preventative, it's early intervention... you're supporting families who are at crisis but are not to the point of you know, sleeping in a car, rough sleeping, they have tenancies. In the absence of that support is where you see families three, six months

down the track in the homelessness entry points. What I'm trying to articulate is that the government needs to look for recommendations around early interventions that have a flow-on effect and positive impact on children and young people.” - Uniting practitioner.

Recommendation 11 of the Victorian Parliamentary Inquiry into Homelessness recommended ongoing funding for PRAP in recognition of its key role in preventing entry into homelessness and that the funding grows to meet demand.

Uniting frontline practitioners report significant challenges in meeting demand for PRAP as rental prices soar. Our practitioners report that the available pool of PRAP funding has not grown commensurate with rental increases. People are consistently seeking support from our services for higher amounts of rental arrears, and we have the same amount of money to draw from, thereby reducing the number of people who can be assisted through the program.

Recommendation: Uniting recommends that there is increased Government investment in interventions such as PRAP, which protect people from further financial hardship and from entering homelessness.

There is also a need to move to solutions that encompass long-term renting as a long-term housing option, where renting can be a 'forever home' not a transitory and temporary step on the path to home ownership:

"Everybody deserves to have a home. People need to have that feeling of comfort and belonging and not having to move. I'm grateful that I got this house because it's reasonably cheap and I've got everything I need.

I tried to find a private rental, but it was quite expensive, and it was hard because I was having issues with my older car, so I had to save up for a new car, so moving back and forth was quite difficult for me.

There's not enough housing, particularly for people with kids or disabilities or other accessibility issues. There's not enough cheap housing for rent. If you rent through a real estate, you're paying \$700.00 a week around here. You have to have two people, so it really does discriminate against single people, particularly single mothers.

I was applying for houses, and I couldn't get a single one because there's too many people applying for one property. When you're homeless you're fighting for your life, and no one should have to fight for their life and fight for a home. No. Hell no. There should be enough houses. Cheaper, affordable accommodation for everybody. Whether you're in a high income, low income, middle income, everyone deserves a home.” – Uniting consumer.

Interventions like PRAP, while critical in supporting vulnerable people to stay in the private rental market, are necessary because of decades long failed housing policy and action, including a significant shortfall of social and affordable homes (Nouwelant, Troy and Soundararaj 2022).

Efforts must continue to be made by the Commonwealth and state governments to increase the supply of affordable housing. Australia needs a long-term commitment and investment to build and provide a wide range of affordable, safe and secure housing options. As we wrote in our pre-election brief in October 2022:

- Uniting has welcomed the Victorian Government's Big Housing Build commitment to construct 12,000 new dwellings across metropolitan and regional Victoria over a four-year period (Victorian Government 2020). The Big Housing Build, however, falls well short of the state's actual social housing need. A 2018 Melbourne University study, for example, found the state faced a shortage of at least 164,000 housing units that are affordable and available to very low and low-income households. The report recommended a target of 30,000 housing units by 2029 (Palm, Raynor & Whitzam 2018).
- Uniting joins other service organisations and our Peak Body the Victorian Council of Social Services (VCOSS) in calling for the construction of 60,000 new public and community homes by 2031. Only such a significant and sustained investment can reverse the rising homelessness trend over coming decades. To best guide this investment, the Government must finalise and publish its work begun in February 2021 on a Ten-Year Social and Affordable Housing Strategy for Victoria.

Recommendation: A long-term solution to the scale of this crisis is increased supply of social and affordable housing. Uniting recommends that the Federal Government significantly increase the supply of social and affordable housing to adequately meet the demand.

Social and affordable housing should be seen as community infrastructure, essential to equitable and inclusive communities where everyone can have somewhere safe and secure to call home, regardless of their financial circumstances.

"There's a lot of problems but they just keep putting bandaids on them. The Government's not thinking long-term anything, only short-term. Do the right thing in the first place because that's what keeps going. They're only looking at one section of the whole problem." - Ron experiencing homelessness in regional Victoria.*

Improving renters' rights and conditions for renters

Urgent action is needed to improve renters' rights and conditions. Many renters currently live in substandard, inefficient homes contributing to higher energy bills and poor health outcomes. Recent Uniting research (currently in print) focussed on energy hardship across Victoria, New South Wales and Queensland found that low-income households were often living in poor quality rental housing across both public and social housing and the private market.

Difficulties in accessing rental housing meant that some felt 'forced' to live in substandard housing that increased financial hardship and their risk for experiencing homelessness. One public housing tenant spoke to their experience:

"My house [public housing] is an old weatherboard house. So, it's ancient. 90 per cent of the windows in my house are the original glass. So, they're now super thin. I'm fighting at the moment to get the windowsills repainted that, I offered to do about four years - three years ago, and got told, 'no, we'll do it'. ... even if they came around and put - I'm looking at buying some - it's like a contact and you put it over your windows, and it holds the heat in and keeps the cool in as well. It repels the heat from outside. It's similar to a double glazing. And that's not super expensive. That would help a lot of people. And if my doors fitted the frames right, instead of having an inch gap... If my front door fitted the doorframe, if it didn't have an inch on one side higher than the other side...I've only got one heater through the house, which is this massive AC [Air Conditioning] system, right...it's a split system.

To warm my house, the kitchen door has to be closed, the bathroom door has to be closed, ... the living room closed. But with those gaps - and I've bought that rubber stuff you put at the top and all the rest of it -but because the gaps are so big, it just ends up bashing it off, because I've got it at the top and bottom of the door. Once the living room is boiling, I open it [the door] and it'll go a bit into my room but I've got two other rooms at the end of the hall and you're lucky if it takes the chill off. And you've got to keep it on 24/7. To do that, we've got little electric column heaters on timers, in my girls' room, so that's using more bloody power. I use the electric blanket on my bed...The girls will get an electric blanket to keep their rooms warm and keep their beds warm" – Uniting consumer cited in Wilson et al. (in print)

In other cases, private landlords and tenancy managers refused to make changes to faulty and inefficient heating, cooling, and hot water systems, or installed poor quality, inefficient or second-hand items to address the issue.

"The real estate won't replace the air conditioning, even though it breaks down due to heatwaves. And it's a really, really old air conditioner, so it does use a lot of power. During the summertime, we're talking 40+ degree days, I have to have the air conditioning running all summer basically, sometimes at night. Most of the time I can turn it off [at night] but I got to wait until the temperature gets down to 18 degrees, otherwise the heat radiates through the roof and it just gets really hot. So once it gets to 18 degrees I can open the windows up and let the air in... and that's normally like 11 or 12 o'clock at night. My energy bills are high here, and... the charge is higher here ... because we're in a regional area Jayden Uniting consumer, NSW.*

"I'm talking huge bills. It was an old farmhouse, and when I first went into it there was no heating or cooling, and the owner - an old lady - put in some sort of fan heating thing, which chewed the electricity, and then she put in a wall unit through the window, an air conditioner, a through-the-window one. But you couldn't turn it down because it was a second-hand one ... And as I said, the bills just got higher and higher and higher. Oh, I was hysterical. I've spent three years busting my arse to pay off electricity bills" Kylie Uniting consumer, regional Victoria. (cited in Wilson et. al. in print)*

These lived and living experiences demonstrate the ways in which renters are forced to live in sub-standard and poor quality housing due to a lack of regulation. Not only do we need to protect renters from unfair rental increases; we also need to ensure their homes are decent and liveable and provide protection from poor landlord behaviour (Wilson et. al in print).

Recommendation: Governments need to ensure renters have access to safe, affordable and quality homes. Governments need to regulate to protect renters from both unfair rent increases and to ensure their homes are liveable and of a quality standard.

Targeted solutions are necessary

Uniting is of the view that targeted interventions are necessary to support cohorts who are particularly vulnerable to the rental crisis, including those already at risk of experiencing homelessness. While homelessness typically arises from a complex web of interconnected factors, it is consistently clear that women and children experiencing family violence are the most at risk alongside young people, First Nations Victorians and those experiencing mental illness. For these groups, the high cost and low availability of rental properties is only compounding their risk of experiencing homelessness.

Uniting family services practitioners report that family violence is a leading cause of homelessness among women and children we see in our services A severe shortage of affordable housing across is placing women and children at great risk. For some, the choice is between a violent home or no home at all – a choice nobody should have to make. More needs to be done to provide safe, supported, and long-term housing options for people escaping family violence.

Recommendation: Governments design and develop a family and domestic violence housing framework of targeted policy, housing design and integrated wraparound services using a Housing First model.

Housing and homelessness service providers have long called for a targeted housing and homelessness response for **young people**. There continues to be significant barriers to young people acquiring and maintaining private tenancies in the rental market, most apparent is the financial barrier young people face when compared to others seeking rental accommodation resulting from grossly inadequate Youth Allowance and Commonwealth Rent Assistance entitlements.

Uniting joins a growing coalition of support for housing solutions for young Victorians including action to reduce youth homelessness. Young people face considerable barriers in accessing interventions like Private Rental Assistance Program.

Recommendation: Targeted investment in youth interventions to ensure young people are receiving the specialist services they need, including access to safe, stable, and affordable accommodation, support to engage in employment, education and training, and assistance to transition successfully to independence as young adults.

Improving access to affordable and safe housing can reduce government spending on homelessness services, health, child safety and criminal justice. It can also reduce poverty, improve the functioning of the labour market, and improve equality of opportunity and social inclusion. (Productivity Commission, 2022).

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